STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, LEA COUNTY, NEW MEXICO.

CASE NO. 24949

PRE-HEARING STATEMENT

COG Operating LLC ("COG" or "Applicant") submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPLICANT ATTORNEYS

COG Operating LLC Dana S. Hardy

Jaclyn M. McLean Dylan M. Villescas Hinkle Shanor LLP P.O. Box 2068

Santa Fe, NM 87504-2068 Phone: (505) 982-4554 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com dvillescas@hinklelawfirm.com

INTERESTED PARTY ATTORNEY

None

STATEMENT OF THE CASE

COG applies for an order: (1) establishing a 1,268.12-acre, more or less, non-standard horizontal spacing unit comprised of all of irregular Sections 6 and 7, Township 24 South, Range 33 East, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying the unit. COG seeks to dedicate the unit to the following proposed wells:

- a. **Macho Nacho State Com 602H**, which will be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 7 to a bottom hole location in Lot 1 (NE/4 NE/4 equivalent) of Section 6;
- b. **Macho Nacho State Com 604H**, which will be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 7 to a bottom hole location in Lot 2 (NW/4 NE/4 equivalent) of Section 6;
- c. **Macho Nacho State Com 606H**, which will be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 7 to a bottom hole location in Lot 3 (NE/4 NW/4 equivalent) of Section 6; and
- d. Macho Nacho State Com 608H, which will be drilled from a surface hole location in Lot 4 (SW/4 SW/4 equivalent) of Section 7 to a bottom hole location in Lot 4 (NW/4 NW/4 equivalent) of Section 6.

The completed intervals of the wells are expected to be orthodox. COG is only seeking to pool overriding royalty interests, as all working interests are committed to the Wells.

The Wells are located approximately 25 miles northwest of Jal, New Mexico.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Michael Potts	Landman	Affidavit	Approx. 6
Ben Breyman	Geologist	Affidavit	Approx. 4

PROCEDURAL MATTERS

Applicant will present this case by affidavit if there is no opposition.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

QUESTIONS

Action 406812

QUESTIONS

Operator:	OGRID:
COG OPERATING LLC	229137
600 W Illinois Ave	Action Number:
Midland, TX 79701	406812
	Action Type:
	[HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony			
Please assist us by provide the following information about your testimony.			
Number of witnesses	Not answered.		
Testimony time (in minutes)	Not answered.		